



October 24, 2001

Democrat Substitute to the Economic Stimulus Package *Summary*

- “Rebate” (giveaway) is the same as the Ways & Means bill
- Increases taxes on individuals and small businesses by repealing the scheduled reduction (to 35.0%) of the 38.6% tax rate
- Provides an additional 26 weeks of unemployment assistance (for a total of 52 weeks)
- Provides unemployment benefits to those who do not normally qualify (such as those who were only employed part-time or for a short period)
- Increases unemployment benefits by the greater of 25% of current payments or \$65 per week
- Establishes a federal program to pay 75% of COBRA and allows states to pay the remaining 25% with federal funds
- Provides states with increased funds if they expand Medicaid to include those who have lost their jobs and are ineligible for COBRA or for individuals who have kept their jobs but have had their hours reduced
- Extends net operating loss carryback for 2001 and 2002 for 5 years
- Temporarily increases Section 179 expensing
- Temporarily waives 90% AMT limitations
- Provides Qualified School Construction Bonds totaling \$11 billion in interest-free financing; Applies Davis-Bacon to the use of the bonds
- Establishes a \$7 billion trust fund for economic development
- Establishes a \$25 billion trust fund to enhance the safety and security of transportation systems and provide environmental protection
- AMT relief for incentive stock options exercised during 2000
- Extends expiring provisions